VZCZCXRO5169 OO RUEHCHI RUEHDT RUEHHM RUEHNH DE RUEHGO #1767/01 3381038 ZNY CCCCC ZZH O 041038Z DEC 06 FM AMEMBASSY RANGOON TO RUEHC/SECSTATE WASHDC IMMEDIATE 5481 INFO RUCNASE/ASEAN MEMBER COLLECTIVE RUEHGG/UN SECURITY COUNCIL COLLECTIVE RUEHBY/AMEMBASSY CANBERRA 0057 RUEHKA/AMEMBASSY DHAKA 4403 RUEHNE/AMEMBASSY NEW DELHI 3647 RUEHUL/AMEMBASSY SEOUL 7155 RUEHKO/AMEMBASSY TOKYO 4744 RUEHCI/AMCONSUL CALCUTTA 0983 RUEHCN/AMCONSUL CHENGDU 0987 RUDKIA/AMCONSUL CHIANG MAI 0751 RHHMUNA/CDR USPACOM HONOLULU HI RUEKJCS/JOINT STAFF WASHDC RHEHNSC/NSC WASHDC RUEKJCS/SECDEF WASHDC RUEHBS/USEU BRUSSELS RUEHGV/USMISSION GENEVA 2964 RUCNDT/USMISSION USUN NEW YORK 0627

C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 001767

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STATE FOR EAP/MLS; PACOM FOR FPA

E.O. 12958: DECL: 12/03/2016

TAGS: <u>PGOV PHUM PINS BM</u>

SUBJECT: BURMA REGIME AND KAREN MISTRUST CONTINUES

REF: A. RANGOON 1536

¶B. RANGOON 799
¶C. RANGOON 698

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Classified By: Poloff Dean Tidwell for Reasons 1.4 (b) and (d)

11. (C) SUMMARY: Recent discussion between Karen delegates to the National Convention (NC) reveals that the ruling regime mistrusts both the Karen National Union (KNU) and the proxy army it created to fight the KNU, the Democratic Karen Buddhist Army (DKBA). The KNU reportedly has invited the DKBA to rejoin the KNU, but our sources doubt this will happen unless the regime cracks down hard DKBA's drug-smuggling activities. The KNU is relying more on anti-personnel landmines to stave off further Burmese Army encroachment into its territory in northern Karen State. END SUMMARY.

SMALL TALK AT THE BIG SHOW

- 12. (C) Rangoon-based Karen physician and NC delegate Simon Tha briefed poloff on recent private discussions between NC delegates. Dr. Simon's ethnic Karen roommate at the NC informed him that the KNU recently wrote to the DKBA, suggesting the two groups reunite. Although Simon Tha does not know how the DKBA responded, he and his wife Dr. Rebecca Tin, who has close contacts with the DKBA women's group, doubt that the DKBA would seriously consider rejoining the KNU absent a heavier crackdown by the regime on the DKBA's lucrative drug smuggling activities. Dr. Simon said that the GOB arrested the leader of DKBA Battalion 907 about three months ago for drug trafficking and has reportedly detained the DKBA officer in Nay Pyi Taw, but there is little other evidence the SPDC is tightening its screws on the DKBA.
- 13. (C) Perhaps in response to the KNU's letter to the DKBA, Dr. Simon overheard Minister of Information Kyaw Hsan, who is

Secretary of the NC, talking at the NC to DKBA president Tha

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Htoo Kyaw (ref B). Kyaw Hsan asked Tha Htoo Kyaw if the DKBA wanted to "return to the jungle." Tha Htoo Kyaw replied that the DKBA's current circumstances were preferable to anything the KNU could offer. Tha Htoo Kyaw also claimed the DKBA has 5,000 armed soldiers, a number we believe is seriously inflated.

14. (C) Dr. Simon believes all outstanding agenda items will be completed at the end of the current NC session, which he expects to adjourn at the end of December. He thinks the regime may call a final meeting of the NC in April 2007 to ratify the work completed during the current session. Separately, Rev. Saboi Jum, a Kachin ethnic leader, reported that Kachin NC delegates feel that their work is essentially finished and expect the current session to adjourn around December 20.

HOSPITAL RIVALRY

16. (C) Dr. Simon was able to obtain a two-week leave of absence from the NC for him and his wife to travel recently to Myawady, opposite the Thai district of Mae Sot. During his trip, he negotiated with local authorities to buy an 8-acre plot of land beside the Asian Highway near Myawady, where he plans to establish a hospital. He informed us the GOB supports the project because the hospital could help divert Burmese patients now traveling to Thailand for treatment at Dr. Cynthia's busy clinic across the border. Not only Karen villagers, but also some Burmese government officials regularly bypass the poorly equipped government hospital in Myawady to obtain decent health care at Dr. Cynthia's clinic in Mae Sot. Dr. Simon said he was unsuccessful in arranging to purchase the plot, and plans to appeal to the Southeast Regional Commander in Mawlamyine. this strategy does not work, he told us that he might opt to

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buy another plot south of Myawady, on the road to Palu.

THE BURMESE ADVANCE INTO KNU TERRITORY

- 17. (C) Dr. Simon told us he was invited to an informal November 18 meeting with Colonel Ner Dah, the son of retired KNU president General Bo Mya, and Col. Paw Doh, a member of the KNU delegation that visited Rangoon in September (ref A). According to Dr. Simon, the KNU will not resume peace talks with the regime as long as the Burmese Army continues to attack Karen villages in northern Karen State. He said the KNU appeared to be waiting to hear the results of U/SYG Gambari's report to the UNSC and the status of any subsequent UNSC resolution before returning to the bargaining table. Dr. Simon does not expect the KNU and the SPDC to meet again until sometime in 2007.
- 18. (C) Dr. Simon asked the two Karen National Liberation Army (KNLA) officers about a reported recent build-up of Burmese forces close to KNLA positions that include elements of Burmese 66th, 44th, and 22nd light infantry divisions. According to Dr. Simon, the KNLA believes the build-up could be to secure the area where the Hat Gyi hydroelectric dam on the Salween River is to be constructed, or to prevent the KNU from re-establishing a headquarters on Burmese soil, which the KNU claims the Thai government is pressing them to do.
- 19. (C) According to a KNLA 7th Brigade source, in 2005 a foreign expert trained the KNLA on how to manufacture "Bouncing Betty" anti-personnel mines, packed with ball bearings. The KNLA claims all of its brigades now know how to produce this "new" landmine. KNLA officers claim they use them only in forward areas to slow the Burmese Army's advance into traditional KNU territory. The source said the new mines are much more lethal than earlier KNLA mines that tended to maim rather than kill (ref C). Dr. Simon claimed

that KNLA mines have killed 400 Burmese soldiers in 2006.

¶10. (C) COMMENT: The Burmese Army's ongoing offensive into Karen State and its attacks against helpless civilians only hardens the resolve of both sides to settle issues on the battlefield, not the negotiating table. With the end of monsoon season, the Karen can expect the regime's military offensive to escalate, with a goal of driving remaining elements of the KNU and the KNLA across the border. While the Karen rebels place their hope in the outcome of the UNSC debate and the use of more lethal landmines, the GOB's strategy seems to be to make no concessions and wait for a broken KNU to return to peace talks on regime terms. END COMMENT.